

**AGREEMENT BETWEEN
AMERITECH INFORMATION INDUSTRY SERVICES
AND U.S. NETWORK CORPORATION
FOR RESALE SERVICES**

This Agreement is entered into as of April 26 1996 ("Effective Date") between Ameritech Information Industry Services, a division of Ameritech Services, Inc., a Delaware corporation, on behalf of Ameritech Michigan, with offices at 350 North Orleans Street, Third Floor, Chicago, Illinois 60654 ("Ameritech") and U. S. Network Corporation, a Delaware corporation, with offices at 10 South Riverside Plaza, Suite 401, Chicago, Illinois 60606, on behalf of USN Communications, Inc. ("Customer").

WHEREAS, Customer has signed a Confirmation of Service Order to order Resale Services pursuant to M.P.S.C. No. 20R, Part 22; and

WHEREAS, Customer would like to purchase certain non-tariffed services related to the Resale Services in the Tariff;

NOW THEREFORE, in consideration of the covenants and undertakings herein, Ameritech agrees to furnish and Customer agrees to subscribe to and pay for the Resale Services described below:

1.0 SERVICE TO BE PROVIDED

Ameritech will provide the Resale Services described in Attachment 1 at the Customer's Network Point of Presence in Michigan for lines provided pursuant to the Confirmation of Service Order. The parties hereby agree that the tariffed terms and conditions which apply to Resale Local Exchange Services, M.P.S.C. No. 20R, Part 2 and M.P.S.C. No. 20R, Part 22 and the Confirmation of Service Order shall also apply as a matter of contract to the provisions of Resale Services hereunder and are incorporated by reference in this Agreement.

2.0 RATES

Ameritech agrees to provide the Resale Services at the rates shown on Attachment 1.

3.0 SERVICE CHARGES

Service Charges, if any, as described in M.P.S.C. No. 20R, Part 3, Section 1 are not included in the rates specified in Attachment 1.

4.0 RATE STABILITY AND TERM

The rates specified in Attachment 1 shall not be subject to increases for a period of ten (10) years from the date the Resale Services are provided pursuant to this Agreement ("Term").

5.0 TERMS OF PAYMENTS

Customer shall be liable for the Monthly Rate and Non-Recurring Charge as specified in Attachment 1 for each month the Resale Services are provided to Customer during the Term of this Agreement. All payments shall be made in accordance with Ameritech's standard billing procedures.

6.0 EXCUSED PERFORMANCE

Ameritech shall not be liable in any way for any delay or any failure of performance of the Resale Services provided hereunder or for any loss or damage due to any of the following:

- (a) Any causes beyond Ameritech's reasonable control, including but not limited to, fires, floods, epidemics, quarantine, restrictions, unusually severe weather strikes, embargoes, manufacturer's delays, explosions, power blackouts, wars, labor disputes, acts of civil disobedience, acts of civil or military authorities, acts stemming from governmental requirements and priorities, acts of nature, acts of public enemies, or acts or omissions of carriers; provided, Ameritech has exercised reasonable measures, if feasible, to mitigate such delay; or
- (b) Any wrongful or negligent act or omission of the Customer or its employees and agents.

7.0 BREACH

If either party fails to perform any substantial and material term of this Agreement, the aggrieved party shall be entitled to serve written notice of its intent to terminate (which notice shall include a reasonably detailed statement of the nature of such breach), upon the breaching party. If such material breach continues unremedied for forty-five (45) days after actual receipt by the breaching party of such written notice, the aggrieved party may, by written notice, either terminate an appropriate portion of its obligation under this Agreement, or terminate the entire Agreement, if such breach substantially and materially affects the aggrieved party's

rights under this Agreement. Except as expressly provided in this Agreement, in the event of a breach of this Agreement by either Ameritech or Customer, the other party will be entitled to pursue any and all remedies available to it at law or in equity including court costs and reasonable attorneys' fees.

8.0 INDEMNIFICATION

Each party shall indemnify and hold harmless the other party, its employees, agents, subcontractors and affiliates against all injury, loss, damage or expense (including court costs and reasonable attorneys' fees) which they may sustain or become liable for on account of injury to or death of persons, or on account of damage to or destruction of property resulting in whole or substantial part from the performance of this Agreement; provided, however, that the indemnitor's obligation shall only extend to any inquiry, loss, damage or expense caused by a willful or negligent act or omission of the indemnitor or its authorized employees, agents, subcontractors or affiliates.

Ameritech shall be indemnified and saved harmless (including court costs and reasonable attorneys' fees) by Customer against claims for libel, slander, or the infringement of copyright arising directly or indirectly from the material transmitted over the facilities or the use thereof; against claims for infringement of patents arising from, combining with, or using in connection with facilities furnished by Ameritech, apparatus and system of Customer; and against all other claims arising out of any act or omission of Customer in connection with the facilities provided by Ameritech.

9.0 TAXES

Upon execution of this Agreement, Customer shall provide Ameritech with a copy of Customer's Certificate of Exemption in accordance with 26 USCS 4251 (1986) and Act No. 94 of the Public Act of Michigan 1937, as amended. In the event Customer does not provide its Certificate of Exemption, Customer shall remit to Ameritech all applicable federal and state taxes for remittance to the appropriate taxing authority.

10.0 LIMITATION OF LIABILITY

EXCEPT FOR OBLIGATIONS UNDER THE INDEMNITY PROVISIONS OF THIS AGREEMENT, AMERITECH SHALL NOT BE LIABLE TO CUSTOMER FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS AND BUSINESS OPPORTUNITIES, REGARDLESS OF THE CAUSE OF

ACTION, ARISING OUT OF OR IN CONNECTION WITH THE PERFORMANCE OR NONPERFORMANCE OF OBLIGATIONS UNDERTAKEN UNDER THIS AGREEMENT.

AMERITECH'S LIABILITY TO CUSTOMER FOR ANY LOSS, CLAIM, INJURY, LIABILITY OR EXPENSE, INCLUDING REASONABLE ATTORNEYS' FEES, RELATING TO OR ARISING OUT OF ANY NEGLIGENT ACT OR OMISSION IN ITS PERFORMANCE OF THIS AGREEMENT (EXCEPT AN ACT OR OMISSION INVOLVING WANTON OR WILLFUL MISCONDUCT) SHALL BE LIMITED TO THE TOTAL MONTHLY CHARGES PAID BY CUSTOMER TO AMERITECH FOR SIX MONTHS.

It is understood and agreed that Ameritech is not an insurer and that the rates for Resale Service provided hereunder are based solely on their value and on the scope of liabilities set forth in this Agreement and that said rates are unrelated to the potential for indirect, incidental, consequential or other damages. Ameritech and Customer agree that this allocation of risk and liability is fair and reasonable.

11.0 SUCCESSORS AND ASSIGNS

Neither party shall assign any right or obligation under this Agreement without the other party's prior written consent. Any assignment made without the consent of the other party shall be void.

Notwithstanding the foregoing, Ameritech may assign this Agreement, in whole or in part, to any of its affiliates. Upon such assignment and assumption of liability thereto by the assignee, the assignor shall be discharged of any liability under this Agreement.

Without limiting the generality of the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the parties' respective successors and assigns.

12.0 MODIFICATION

Any supplement to or modification or waiver of any provision of this Agreement must be in writing and signed by authorized representatives of both parties.

13.0 ENFORCEABILITY

If any of the provisions of this Agreement, or any portion of any provision, are held to be illegal or invalid, Customer and Ameritech shall negotiate an adjustment consistent with the purposes of this Agreement. Subject to the foregoing, the illegality or invalidity of any provision of this Agreement will not affect the legality or enforceability of the remaining provisions, and this Agreement shall then be construed as if such enforceable or unlawful provision, or portion of a provision, had not been contained therein.

14.0 TARIFF REFERENCES

Each reference to a tariff provision in this Agreement shall be deemed to mean or include any and all similar tariff provisions or other regulations changed or established from time to time in lieu of said tariff provision.

15.0 GOVERNING LAW

This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan.

16.0 ENTIRE AGREEMENT

This is the entire and exclusive agreement between the parties with respect to the Resale Service hereunder and supersedes all prior agreements, proposals or understandings, whether written or oral, except to the extent the same may be specifically incorporated herein by reference.

17.0 SECTION HEADINGS

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provisions of this Agreement.

18.0 WAIVER

Failure to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall remain at all times in full force and effect.

19.0 DISCLOSURE

Neither party shall identify, either expressly or by implication, the other party or its corporate affiliates or use any of their names, trademarks, trade names, service marks or other proprietary marks in any advertising, press releases, publicity matters or other promotional materials without such party's prior written consent.

20.0 PUBLICITY

Except as otherwise provided in this Agreement, Customer shall not use any of the trademarks, trade names, service marks or other proprietary marks of Ameritech or its corporate affiliates in any advertising, press releases, publicity matters or other promotional materials without Ameritech's prior written permission. Ameritech and Customer shall jointly develop a press release publicizing their relationship under this Agreement, subject to both (1) the parties' prior non-disclosure agreement, and (2) mutually agreed upon language and media.

20.1 NOTICES

All communications required or permitted under this Agreement shall be deemed given when delivered or deposited in the U.S. mail, by certified or registered, postage prepaid and addressed as follows:

If intended for Customer:

U.S. Network Corporation
10 South Riverside Plaza
Suite 401
Chicago, Illinois 60606
Attn: Thomas C. Brandenburg

If intended for Ameritech:

Ameritech Information Industry Services
350 North Orleans, Floor 3
Chicago, Illinois 60654
Attn: Vice President-Sales and Service

with a copy to:

Ameritech Information Industry Services
350 North Orleans, Floor 3
Chicago, Illinois 60654
Attn: Vice President and General Counsel

Executed this 26th day of April, 1996.

U.S. Network Corporation, on
behalf of USN Communications,
Inc.

Ameritech Information Industry
Services, a division of Ameritech
Services, Inc., on behalf of
Ameritech Michigan

By: John Thomas Elliott

Name: John Thomas Elliott

Title: PRESIDENT

Date: 4-26-96

By: Neil E. Cox

Name: NEIL E. COX

Title: PRESIDENT

Date: 4/29/96

**Attachment 1
to the Agreement Between
Ameritech Information Industry Services
And U. S. Communications Corporation
for Resale Services**

	<u>Monthly Residence</u>
1. LINE CONNECTION AND OTHER SERVICE CHARGES	
Line Connection Charge	\$38.09
Miscellaneous Service Charge	\$ 7.10
Line Rearrangement Charge (each line)	
Touch-Tone	\$ 4.57
Change in Number	\$18.37
C.O. Services	\$ 5.00
2. OPERATOR SURCHARGES	
Person-to-Person	\$3.78
Billed to a Third Number	\$1.848
Collect Calls	\$1.7640
Calling Card Calls	
- Non-Local	
Assisted Calling Card Services	\$1.5792
Customer Dialed Calling Card	\$0.5460
- Local	
Assisted Calling Card Services	\$1.5792
Customer Dialed Calling Card	\$0.5460
Sent Paid/Operator Assisted	
Other Telephones	\$1.7640
Busy Line Verify, Each Occasion	\$1.68
Busy Line Interrupt, Each Occasion	\$4.20
3. CUSTOM CALLING FEATURES	
Call Waiting	\$2.56
Call Forwarding - Variable	\$2.56
Threeway Calling	\$2.56
Speed Call 8	\$2.56
Speed Call 30	\$2.56
Distinctive Ringing	\$2.56

3. CUSTOM CALLING FEATURES (Cont'd)

Call Screening	\$2.56
Caller ID	\$4.81
Caller ID With Name (plus charge for CallerID)	\$1.48

4. PAY PER USE

	<u>Per Use</u> <u>Residence</u>
Automatic Callback, per use	\$0.56
Repeat Dialing, per use	\$0.56

5. OPTIONAL LINE FEATURE

	<u>Monthly</u> <u>Residence</u>
Multi Ring Service	
1st Line	\$2.56
2nd Line	\$1.48

6. COMPLIMENTARY CENTRAL
OFFICE SERVICES

Busy Line Transfer	\$0.75
Alternate Answering	\$0.75
Customer Control Option	
Busy Line Transfer	\$0.74
Alternate Answering	\$0.74
Message Waiting Tone	\$0.19
Easy Call	\$1.11

7. OTHER SERVICES

Directory Services	
Extra Listings	\$1.22
Private	\$1.11
Semi-Private (Each Listing)	\$0.74
Directory Assistance	\$0.267
Information Call Completion Service	\$0.267

7. OTHER SERVICES (CONT'D)

	<u>USOC</u>	<u>Non-Recurring Charge</u>	<u>Residence Monthly Rate</u>
Ameritech ISDN Direct			
ISDN Direct line			
National	P2L	\$75.00	\$10.92
National ISDN CO Termination	P2B	-	-
Circuit Switched Voice "B" Channel, Each	LTF1D	\$15.00	\$ 2.96
Additional Call Offering	NCO	\$ 5.00	\$ 1.85
Intercom Calling	NZV	\$ 5.00	\$ 1.85
Message Waiting Indicator	MLN	\$ 5.00	\$ 1.85
Station Controlled Conference-6 Port	EQ6	\$15.00	\$10.36
Packet Switched Data "B" Channel	LTQ3X	\$100.00	\$62.90
On-Demand Packet Switched Data "B" Channel L	LTH7X	\$50.00	\$14.80
Packet Switched Data Service "D" Channel	LTQ4X	\$15.00	\$ 4.81
ISDN Additional Call Appearances	ACSPB	\$ 5.00	\$ 1.48
ISDN Secondary Numbers	DO6	\$ 5.00	\$ 1.48

8. INTERZONE MESSAGE CHARGES

<u>Rate Miles</u>	<u>Residence Minute of Use</u>
1-20	\$0.0615

9. MESSAGE TELECOMMUNICATIONS SERVICES

Message Toll Service:

<u>Rate Step</u>	<u>Rate Miles</u>	<u>Residence Minute of Use</u>
1	1 - 10	\$0.0464
2	11 - 15	\$0.0678
3	16 - 20	\$0.0835
4	21 - 25	\$0.0978
5	26 - 30	\$0.1092
6	31 - 50	\$0.1256
7	51 - 100	\$0.0947
8	Over 100	\$0.1313

Exhibit C
Case No. U-11239

AMERITECH RESALE LOCAL EXCHANGE SERVICE

CONFIRMATION OF SERVICE ORDER

Business Services

**Ameritech Resale Local Exchange Service
Confirmation of Service Order**

This Confirmation of Service Order ("Agreement") is by and between Ameritech Information Industry Services, a division of Ameritech Services, Inc., a Delaware corporation, on behalf of Ameritech Michigan, with offices at 350 North Orleans Street, Third Floor, Chicago, Illinois 60654 ("Ameritech") and U.S. Network Corporation, a Delaware corporation, with offices at 10 South Riverside Plaza, Suite 401, Chicago, Illinois 60606, on behalf of USN Communications, Inc. ("Carrier").

WHEREAS, Ameritech offers Resale Local Exchange Services in Michigan at the rates and conditions set forth in Michigan Bell Tariff M.P.S.C. No. 20R, Part 22 (the "Service"); and

WHEREAS, Carrier desires to purchase Ameritech Resale Local Exchange Services in Michigan under the rates, terms and conditions set forth herein;

NOW THEREFORE, in consideration of the mutual obligations set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Ameritech and Carrier agree as follows:

1.0 SERVICES ORDERED

Carrier hereby orders Ameritech Resale Local Exchange Service in Michigan under Michigan Bell Tariff M.P.S.C. No. 20R, Part 22, which Ameritech has filed with the Michigan Public Service Commission and which is incorporated by reference into this Agreement. Carrier orders the services described in Section 3.0 under Ameritech's Resale Local Exchange Service for a term of ten (10) years (the "Service Term") and commits to a minimum annual volume of 100,000 business access lines per month ("Volume Commitment"). The business access lines are described in Section 3.0. Each PBX Trunk shall count as a single business access line.

2.0 SERVICE ORDERING CHARGES

As set forth in M.P.S.C. No. 20R, Part 3, Section 1, these Service Ordering Charges are in addition to any other scheduled rates and charges normally applying under tariff. They apply in addition to, and not in lieu of, Channel Charges, Initial Non-Recurring Charges or Construction Charges made because of unusual cost in establishing service.

3.0 SERVICES ORDERED

3.1 Network Access Line Rates (Monthly)

Rate Groups:	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
<u>Business Services:</u> (includes TOUCH-TONE service)							
*1 Party Measured	\$11.44	\$11.44	\$11.44	\$11.44	\$11.44	\$11.44	\$11.44
*Trunk Measured	\$11.44	\$11.44	\$11.44	\$11.44	\$11.44	\$11.44	\$11.44
*2-Way DID	\$21.25	\$21.25	\$21.25	N/A	N/A	N/A	N/A

DID Numbers/20 Numbers

Business \$ 4.25

DID Trunk Termination

Business \$ 9.88

3.2 Local Usage Service

Business \$0.0505

3.3 Telecommunications Features

	<u>Monthly</u> <u>Business</u>
976 Prefix Blocking Service	No Charge

3.4 Centrex Loops

Station Lines
Centrex Local Loop Matrix

<u>Number of Loops</u>	<u>Nonrecurring Charge</u>	<u>Price per Loop</u>
First 25	**	\$8.53
Next 174	**	\$5.37
Next 300	**	\$4.67
Next 500	**	\$3.88
Additional	**	\$3.05

* End User Common Line charges also apply.

** Line Connection Charges or Line Rearrangement Charges are applicable to add or change a Centrex Local Loop.

4.0 FAILURE TO MEET VOLUME COMMITMENT

- 4.1 For each twelve (12) month period following the Ramp Up Period (as defined in Section 7.0), Carrier's actual usage shall be determined by measuring the number of actual business access lines in service at the end of each such twelve (12) month period ("Actual Usage").
- 4.2 For each twelve (12) month period following the end of the Ramp Up Period, Carrier shall pay Ameritech if it fails to meet the Volume Commitment. Carrier's underutilization liability for such failure to meet the Volume Commitment shall be calculated as follows:

X x Y, where:

X = an average of Carrier's business line rates which, for purposes of this Section, shall be \$13.46 ("Average Business Line Rate");

Y = 100,000 less the Actual Usage.

If the final period at the end of the Service Term is less than twelve (12) months, the underutilization liability shall be calculated on a pro rata basis.

5.0 VOLUME COMMITMENT FLEXIBILITY

- 5.1 In any twelve (12) month period following the Ramp Up Period in which Carrier's Actual Usage is less than or greater than the Volume Commitment, the amount of the shortfall ("Shortfall Amount") or the excess ("Excess Amount") shall be placed into a pool ("Carryover Pool"). Shortfall amounts shall increase the Carryover Pool and Excess Amounts shall decrease the Carryover Pool. For example, if Carrier's Volume Commitment is 100,000 lines and its Actual Usage for the twelve (12) month period is, 80,000 lines, the Carryover Pool would be increased by 20,000 lines. If, in the following year, Carrier's Actual Usage for the twelve (12) month period is 120,000 lines, the Carryover Pool would be decreased by 20,000 lines.
- 5.2 The line volume in the Carryover Pool will not be subject to the underutilization charge (except as provided in Section 5.4) and may never exceed 200,000 lines ("Carryover Pool Cap"). If, at the end of any twelve (12) month period following the Ramp Up Period, the

lines in the Carryover Pool exceed the Carryover Pool Cap, Carrier shall pay an amount equal to the excess lines above the Carryover Pool Cap multiplied by the Average Business Line Rate.

- 5.3 If the number of lines in the Carryover Pool at the end of the Service Term is zero or less, no further action is required. If the number of lines in the Carryover Pool at the end of the Service Term is greater than zero, Carrier shall, at its option, pay Ameritech an amount equal to each line in the Carryover Pool multiplied by the Average Business Line Rate or shall subscribe on a monthly basis to an equivalent number of lines during the next three (3) year period ("Extension Term"). The same terms and conditions which apply to the then ten (10) year Service Term shall apply to any Extension Term. Carrier shall have the option to fulfill this obligation during any consecutive period of time within the Extension Term, as long as such consecutive period immediately follows the end of the Service Term.
- 5.4 Carrier shall pay Ameritech for any unsubscribed lines remaining in the Carryover Pool at the end of the Extension Term or, if earlier, at the end of any consecutive period of Service described in Section 5.3. Carrier shall pay Ameritech an amount equal to the number of remaining lines multiplied by the Average Business Line Rate.

6.0 EFFECTIVE DATE

Service shall commence thirty (30) days after the tariff attached as Exhibit A becomes effective, or the date on which carrier obtains certification as a local exchange carrier in the state of Michigan, whichever is later ("Service Start Date").

7.0 TERM AND TERMINATION

- 7.1 The Service Term is ten (10) years, beginning on the Service Start Date. The "Ramp Up Period" shall begin ninety (90) days following the Service Start Date and shall end eighteen (18) months thereafter.
- 7.2 If Carrier cancels this order before the Service Start Date, Carrier shall reimburse Ameritech for costs incurred by Ameritech on behalf of Carrier up until the time of cancellation.
- 7.3 If, after the Service Start Date, Carrier terminates this Agreement prior to the end of the term specified in Section 7.1, for any reason

other than for cause. Carrier shall pay Ameritech for the unmet portion of the Volume Commitment at the month to month rates for the time remaining in the term. This termination liability shall be calculated according to the formula set forth below, and shall then be adjusted to the net present worth using the Ameritech cost of money as set forth in M.P.S.C. No. 20R, Part 2, Section 2:

$X \times Y \times Z$, where:

X = Average Business Line Rate;

Y = the Volume Commitment; and

Z = the number of years or fractional years remaining in the Service Term after the Ramp Up Period.

Carrier shall also pay Ameritech an amount equal to the number of lines, if any, in the Carryover Pool multiplied by the Average Business Line Rate - \$13.46.

- 7.4 Either party may terminate services under the tariff immediately following written notice and opportunity to cure as set forth hereunder in the event the other party is in default as to any of its material obligations hereunder provided that (a) the defaulting party receives notice of termination containing a reasonably complete description of the default and (b) the defaulting party fails to cure such default within thirty (30) days of receiving such notice or ten (10) days of such notice if the default is nonpayment.

8.0 CONDITIONS PRECEDENT

Neither party shall be required to perform its respective obligations under this Agreement unless and until Carrier obtains certification as a local exchange Carrier in the state of Michigan under Section 357 of the MTA 1991 PA 179 as amended by 1995 PA 216.

9.0 RATE CHANGES

In consideration of Carrier agreeing to the maximum volume and term commitment currently available, if Ameritech sells the same service at a lower rate to a similarly situated customer (i.e., a resale customer making a term and/or volume commitment), then Ameritech shall make such lower rate available to Carrier. Ameritech shall notify Carrier within forty-five

(45) days of such lower rates becoming available. This provision shall apply regardless of whether the Service is offered under tariff or contract.

10.0 NEW SERVICES

If Ameritech introduces any new services to its Resale Local Exchange Service during the period of Carrier's Service Term, and if those services have a volume or term discount, those services shall be made available to Carrier at the rate which corresponds to Carrier's volume and term commitment.

11.0 PROMOTIONAL MATERIALS

Ameritech shall provide Carrier with information related to the use of the services suitable for Carrier's use in its marketing and promotional material. Ameritech shall also make available to Carrier's personnel, at then prevailing prices, training related to the use and operation of the services.

12.0 CREDIT ALLOWANCES FOR SERVICE INTERRUPTIONS

Carrier shall be entitled to credit allowances for service interruptions in accordance with M.P.S.C. No. 20R, Part 2, Section 2.

13.0 CHANGED CIRCUMSTANCES

13.1 Upon reasonable notice provided by either party, Ameritech and Carrier shall meet to review any unforeseen material changes in the competitive circumstances in the industry, including the competitiveness of the rates herein, and shall negotiate concerning any changes that may be necessary to the rates for any services in this Agreement. In the event that any component of Ameritech's averaged discounted retail rates for the services contained in this Agreement as computed in Exhibit 1, are reduced below the rates in Ameritech's Resale Local Exchange Service Tariff (attached as Exhibit 2) during the term of this Agreement, then at Carrier's option, either (1) Ameritech and Carrier shall re-evaluate and revise the rates as applicable for services in this Agreement or (2) Carrier shall be exempt from any underutilization liability contained in Paragraphs 4.2 and 5.0. Any changes agreed upon shall not become effective until any applicable regulatory filing requirements are met.

- 13.2 In the event Carrier converts to a new Ameritech service that utilizes a change in technology to provide the same service to Carrier with fewer business access lines, and as a result of this conversion Carrier fails to achieve the Volume Commitment for that twelve month period, Carrier's Volume Commitment for that twelve month period and for each twelve month period remaining in the Service Term shall be reduced by an amount equal to the estimated amount of reduced access lines associated with the service conversation each year.

14.0 IMPLEMENTATION

- 14.1 Following execution of this Agreement, Ameritech and Carrier shall jointly develop an implementation plan for services. This implementation plan shall address, among other things, procedures for on-line ordering, provisioning, and access to customer service records with proper authorization.
- 14.2 Ameritech shall implement Carrier's service orders on a timely basis and within implementation intervals no less promptly than Ameritech implements other service orders for similar items, including retail service orders. If Ameritech fails to implement a service order within such an interval and such failure is not caused by a force majeure (which shall include fires, embargoes, labor disputes, acts of God, the public enemy or other causes beyond Ameritech's reasonable control) or some fault of Carrier (which "fault" shall include any delays associated with Carrier notification periods and suspensions of change orders provided for in Ameritech's tariff for Resale Local Exchange Service), then Ameritech will waive any non-recurring charges associated with implementation of the Ameritech service.
- 14.3 For maintenance and repair services performed on Ameritech's side of the network interface, Ameritech agrees that quality and timeliness of such services will be no less than the services provided to its retail customers. If Ameritech provides support, installation, maintenance and/or repair to any similarly situated customer under more favorable terms and conditions, then Ameritech shall make such terms and conditions available to Carrier.

15.0 TARIFF

- 15.1 All terms and conditions of Ameritech's Resale Local Exchange Service are set forth in the applicable tariff, which fully determines the rights and obligations of Ameritech and Carrier. No representation or agreements, written or oral, shall alter or in any way affect these rights or obligations. The tariff and this Agreement contain all the applicable rates and charges to be paid by Carrier in connection with Resale Local Exchange Service. In the event of a conflict or discrepancy between the provisions of this Agreement and the provisions of the tariff, the provisions of the tariff shall govern.
- 15.2 In the event that Ameritech revises its tariffs to reflect the restructuring of its local exchange, toll and access service rates as provided for in Section 304a of the Michigan Telecommunications Act, Ameritech may revise the rates shown in Section 3.0 of this Agreement to reflect appropriate changes, if any, to those rates. Such tariff revision shall not affect Carrier's discount structure as reflected in this Agreement.

16.0 PUBLICITY

Except as otherwise provided in this Agreement, Carrier shall not use any of the trademarks, trade names, service marks or other proprietary marks of Ameritech or its corporate affiliates in any advertising, press releases, publicity matters or other promotional materials without Ameritech's prior written permission. Ameritech and Carrier shall jointly develop a press release publicizing their relationship under this Agreement, subject to both (1) the parties' prior non-disclosure agreement, and (2) mutually agreed upon language and media.

IN WITNESS WHEREOF, this Agreement has been executed by the parties set forth below.

U.S. Network Corporation, on
behalf of USN Communications,
Inc.

By: J. Thomas Elliott

Name: JOHN THOMAS ELLIOTT

Title: PRESIDENT

Date: 4-26-96

Ameritech Information Industry
Services, a division of Ameritech
Services, Inc., on behalf of
Ameritech Michigan

By: NEIL E. COX

Name: NEIL E. COX

Title: PRESIDENT

Date: 4/29/96

Michigan -- Business
Average Discounted Retail Rate Analysis

Exhibit 1

Terms	Mins-Of-Use	Revenue	Pricing	
Mth-To-Mth	25%	30%	\$	0.154
1 Year	11%	11%	\$	0.129
3 Year	64%	59%	\$	0.117
Blended Discounted VCP Rate	100%	100%	\$	0.127
Blended Retail MTS Rate			\$	0.164

Business Segment			
Michigan Model			
Product	Product Use	Retail Price	Average Discounted Retail Price
- Eq. Add'l	RCA	\$20.45	\$20.450
Answer Supervision	USW1X	\$0.72	\$0.720
Intercept Referral Extension	?	\$6.00	\$6.000
Cust. Loc. Alt. Routing			\$0.000
-Service Establishment	SEPRH	\$200.00	\$200.000
-Protected #'s 1-100	EL41X	\$1.00	\$1.000
-Protected #'s 101-999	EL41X	\$0.80	\$0.800
-Protected #'s 1,000+	EL41X	\$0.60	\$0.600
-Per add'l alt. routing plan	EWP	\$15.00	\$15.000
-Routing plan change per TN	NR9EV	\$10.00	\$10.000
-Activation of plan	NR9EW	\$10.00	\$10.000
Network Switch Alt. Routing			
-Service Establishment	SEPRH	\$450.00	\$450.000
-Protected #'s 1-100	EN41X	\$1.00	\$1.000
-Protected #'s 101-999	EN41X	\$0.80	\$0.800
-Protected #'s 1,000+	EN41X	\$0.60	\$0.600
-Per add'l alt. routing plan	EQ4	\$15.00	\$15.000
-Routing plan change per TN	NR9EX	\$10.00	\$10.000
-Activation of plan	NR9EY	\$10.00	\$10.000
-Coord. Test Activation	NR9EZ	\$200.00	\$200.000
Scan Alert	SNK	\$10.50	\$10.500
UL/AA Polling Option	ASP	\$4.00	\$4.000
Data Connect Service	C2D	\$5.95	\$5.950
Toll Restriction	RTVX5	\$5.95	\$5.950
High Voltage Protection Comm Eq.	P1QPA	\$49.00	\$49.000
HV Holding Coil	P1QPZ	\$0.00	\$0.000
HV Isolator Card	P1QPB	\$16.00	\$16.000
HV PBX Trunk Card	P1QPX	\$16.00	\$16.000
HV PBX OP Sta Card 130V	P1QPW	\$16.00	\$16.000
HV PBX OP Sta Card -24V	P1QPG	\$16.00	\$16.000
Foreign Listing	FAL	\$3.00	\$3.000
Free Listing	FLT	\$0.00	\$0.000
Alternate Call Listing	FNA	\$3.00	\$3.000
Cross Reference Listing	LLT	\$3.00	\$3.000
Non - List Business	NLT	\$1.00	\$1.000
Non - Published Business	NPU	\$1.50	\$1.500
Additional Listing - Business	CLT	\$3.00	\$3.000
Totals			
ISDN Product			

Business Segment			
Michigan Model			
Product	Product Usoc	Retail Price	Average Discounted Retail Price
Access Bucket			
Business Access Line	1MB	\$13.460	\$13.460
Touch Tone	TTB	\$0.000	\$0.000
End User Common Line - Single Line	9LM	\$3.600	\$3.600
End User Common Line - Multi Line	9LR	\$5.150	\$5.150
	LDW/ TMB/ TMC/ TMN/ TMU/ TDD/ T7UCX		
PBX Trunk Area A		\$10.960	\$10.960
PBX Trunk Area B	"	\$10.960	\$10.960
PBX Trunk Area C	"	\$10.960	\$10.960
PBX Trunk Area D	"	\$10.960	\$10.960
PBX Trunk Area E	"	\$10.960	\$10.960
PBX Trunk Area F	"	\$10.960	\$10.960
PBX Trunk Area G	"	\$10.960	\$10.960
DID Numbers /20 numbers	ND4	\$5.000	\$5.000
DID Trunk Termination	NDT	\$11.620	\$11.620
2 Way DID Area A (addition to DID)	3CW	\$25.000	\$25.000
2 Way DID Area B (addition to DID)	3CW	\$25.000	\$25.000
2 Way DID Area C (addition to DID)	3CW	\$25.000	\$25.000
Centrex Local Loop 1-25 Lines		\$10.030	\$10.030
Centrex Local Loop next 174 Lines		\$6.320	\$6.320
Centrex Local Loop next 300 Lines		\$5.490	\$5.490
Centrex Local Loop next 500 Lines		\$4.570	\$4.570
Centrex Local Loop Additional Lines		\$3.590	\$3.590
PBX Trunk Touch Tone	TJB	\$2.500	\$2.500
Totals			
Usage Bucket			
Local Usage:			
Message Rate		\$0.084	\$0.084
Directory Assistance		\$0.300	\$0.300
Information Call Completion		\$0.300	\$0.300
Toll Usage:			
Zone Rate per MOU		\$0.101	\$0.086
MTS 1-10		\$0.085	\$0.067
MTS 11-15		\$0.127	\$0.100
MTS 16-20		\$0.154	\$0.122
MTS 21-25		\$0.174	\$0.137
MTS 26-30		\$0.188	\$0.148
MTS 31-50		\$0.194	\$0.163
MTS 51-100		\$0.200	\$0.168
MTS 100+		\$0.196	\$0.155

Business Segment			
Michigan Model			
Product	Product Usoc	Retail Price	Average Discounted Retail Price
Operator Surcharges			
Collect		\$2.100	\$2.100
Operator Sent Paid		\$2.100	\$2.100
Customer Dialed Calling Card		\$0.650	\$0.650
Operator Calling Card (0-)		\$1.880	\$1.880
Person to Person		\$4.500	\$4.500
Third Number Billed		\$2.200	\$2.200
Busy Line Verification		\$2.000	\$2.000
Busy Line Interrupt		\$5.000	\$5.000
Totals			
Features Bucket			
Call Waiting	ESX	\$5.910	\$3.460
Call Forwarding	ESM	\$3.740	\$3.460
3 Way Calling	ESC	\$5.240	\$3.460
Speed Call 5	ESL	\$3.740	\$3.460
Speed Call 30	ESF	\$5.240	\$3.460
Distinctive Ringing	NSK	\$4.000	\$3.460
Call Screening	NSY	\$4.500	\$3.460
MRS # 1	DRS1X	\$5.250	\$3.460
MRS #2	DRS2X	\$4.250	\$2.000
Caller ID	NSD	\$6.500	\$6.500
Caller ID with Name	NMP	\$2.000	\$2.000
Auto Call Back (pay per use)	Camps Billed	\$0.750	\$0.750
Repeat Dialing	Camps Billed	\$0.750	\$0.750
Intercept Referral Extension Service	RTAAX	\$6.000	\$6.000
Busy Line Transfer	EVB	\$0.750	\$0.750
Alternate Answering	EVD	\$0.750	\$0.750
Customer Control Busy Line Transfer	ERB	\$1.000	\$1.000
Customer Control Alternate Answering	ERD	\$1.000	\$1.000
Message Waiting Tone	MWN, MV8, M1W	\$0.250	\$0.250
Easy Call	WLS	\$1.500	\$1.500
Foreign CO	?	Line charges+IOF from FCC 2	
Combination Main Station	?	Line charges+IOF from FCC 2	
Remote Call Forwarding			
- Initial	RCPax	\$20.45	\$20.450